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ABSTRACT

The Los Angeles Unified School District (LAUSD) offers its own school district data in four areas: enrollment growth; seat capacity; school construction costs; and land acquisition. Also included are data on new school construction, property condemnations, and modernization projects over the past two decades. Appendices provide data on LAUSD enrollment growth and total expenditures by category for all funding in the 1990 through 1998 final budgets. (GR)

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WHERE HAS THE MONEY GONE?

SCHOOL CONSTRUCTION IN LOS ANGELES UNIFIED SCHOOL DISTRICT

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A Report of the Joint Legislative Audit Committee
Chairman, Assemblyman Scott Wildman

A Special Thanks to the Staff who prepared this report:

Tracy Dunne – Chief Researcher
Jennifer Pierce
Eloy Garcia
Greg Campbell

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Introduction

As school districts apply for limited state resources to build, modernize, and maintain school facilities, they will inevitably come under increasing scrutiny. In no other district is this truer than in the Los Angeles Unified School District (LAUSD). Over the years, LAUSD has attempted many creative solutions to the growing problem of finding classroom space for all of its students. However, some of the innovative approaches attempted by LAUSD have been called into question. For example, a 1992 Little Hoover Commission report entitled No Room for Johnny: A New Approach To The School Facilities Crisis, criticized some of LAUSD's facilities decisions. As the subject of such high profile criticism, LAUSD has come under even closer scrutiny than many other school districts with regard to construction practices and priorities. This report is not meant to serve as additional criticism of the district, but to articulate factual information regarding the district. With a district as large as LAUSD's, however, navigating the bureaucracy and getting definitive information proved at times to be difficult.

What follows is a representation of the district with respect to four specific areas of interest: enrollment growth, seat capacity, school construction costs, and land acquisition. Because each school district owns and is responsible for its own property, there is no centralized state data base that reflects in any comprehensive manner land holdings, site acquisitions, or the condition of pre-existing sites. The data used in this report was obtained primarily from the LAUSD, and while it may not be as comprehensive as we would like (as the district has not assiduously tracked certain information), it may serve to provide a framework for further discussions that will occur as California confronts the challenge of providing enough seats for its exploding student population.

Los Angeles Unified School District (LAUSD): Background Description

The Los Angeles Unified School (LAUSD) is the second largest urban school district in the country (second to New York City), serving approximately 800,000 students. Like many other districts throughout state, LAUSD has experienced a significant increase in its student population over the past 15 years. The district's K-12 population has increased from a total of 540,903 students in 1981 to 681,505 students in 1997. The district is governed by a seven-member elected school board with one board member representing each of its seven geographic districts.

In 1981, there were just over 730 schools in the LAUSD. The information provided to the Committee indicates that since 1981, there has been a net increase of seven elementary schools, no Middle Schools, and no High Schools that serve the wide-ranging needs of Los Angeles' growing and diverse student population. In order to accommodate the city's enormous growth in student population, LAUSD chose to reconfigure its grade levels throughout the district from K-6, 7-9 and 10-12 to K-5, 6-8 and 9-12. This reconfiguration has freed up more space in the primary grades where student population has increased the most, nearly 40 percent since 1981. In addition to the traditional K-12 schools, LAUSD has created specialized sites in order to accommodate a wide range of student interests and changing student needs. In an attempt to serve this burgeoning population, LAUSD has implemented multi-track, year-round instruction for approximately 46 percent of its total enrollment, more than 60 percent of which is at the elementary level. According to district representatives, LAUSD needs 20,000 new seats immediately and will require over 75,000 within the next decade, creating an acute need for new school construction and increased expenditures on the modernization and maintenance of existing structures.

LAUSD's service area includes an exceptionally diverse population of close to 4.5 million and an area encompassing 708 square miles. With over 88 languages spoken and minority students representing 77 percent of the district's total student population, LAUSD is among the most diverse school districts in the country. It goes without saying that meeting the needs of a district

so large and so incredibly diverse is a daunting task at best. In 1996, there were a total of 64,249 school district employees, nearly 32,000 of whom were certificated teachers. The budget for LAUSD in 1995-96 was $4.2 billion. Eighty-four percent of revenues came from the state's general fund and from property taxes, while 12.1 percent was federal money. Local income accounted for the remaining 3.3 percent. Slightly less than 54% percent of the district's budget was spent on employee salaries and benefits in 1997-1998, a drop from almost 70% in 1993-1994. The remaining funds were spent on materials, utilities, land, buildings, outside contracts, different program related elements, and the reserve. Though the budget has grown to approximately $5.8 billion in 1997-1998, the relative revenue stream has remained proportionately similar.

The Committee found that between 1981 and 1996, the number of students served in the LAUSD grew exponentially, while new school construction and modernization efforts lagged significantly behind.

In order to provide a snapshot of the LAUSD, what follows is a breakdown of enrollment trends, district budgets, seat capacity, and land acquisition expenditures, including but not limited to data involving new school construction, property condemnations, and modernization projects over the past two decades.

It should be noted that this report does not address the dramatically increased facility needs faced by California school districts directly related to the implementation of class-size reduction (CSR) in California. The Joint Legislative Audit Committee Report entitled, ***"California's Public Schools: A Needs Assessment,"*** analyzes the impact of the class size reduction program on school facilities requirements statewide and is available from the Committee. Although the LAUSD failed to respond to the JLAC survey that provided the basis for that report, in time to be included in the results, it is reasonable to assume that LAUSD is facing facilities concerns related to the CSR program that are similar if not more acute than those reported by other districts.

ENROLLMENT TRENDS

Grades	1981 Enrollment Numbers	1996 Enrollment Numbers	Total Growth or Decline (percentage)
Kindergarten	42,547	62,371	19,824 (46.6%)
First Grade	43,549	65,089	21,540 (49.5%)
Second Grade	41,932	58,975	17,043 (40.6%)
Third Grade	40,424	56,108	15,684 (38.8%)
Fourth Grade	39,481	52,825	13,344 (33.8%)
Fifth Grade	41,388	49,804	8,416 (20.3%)
Sixth Grade	41,420	46,721	5,301 (12.8%)
Seventh Grade	41,823	44,120	2,297 (5.5%)
Eighth Grade	39,398	43,039	3,641 (9.2%)
Ninth Grade	38,765	54,068	15,303 (39.5%)
Tenth Grade	48,548	47,099	-1,449 (3 %↓)
Eleventh Grade	37,940	36,437	-1,503 (4 %↓)
Twelfth Grade	31,410	27,387	-4,023 (12.8%↓)

Notable in the enrollment trends is a precipitous drop in enrollment in grades 10-12. Particularly striking is the drop in enrollment among 12th graders, a troubling phenomenon that may require further research.

While there has been an enrollment increase in all grades but the top three, school construction for K-12 has lagged significantly behind enrollment growth. In terms of school construction by school type, there were 12 elementary schools built over the past fifteen years, with a net increase of slightly more than 11,000 seats. By 1996, there was, on average, an approximate 40 percent increase in student enrollment in the primary grades K-6. Clearly, there are not enough seats for the sheer number of students in LAUSD. In grades 7-9, new school construction increased by

one school, though that particular project has experienced financial difficulties and is plagued by environmental concerns.

According to the district, there were 71 junior high schools in 1981 and there are still 71 to date (again, the district's reporting inconsistencies make definitive conclusions difficult to reach). The junior high school student population has grown an average of 18 percent. Senior high school students have been dropping out at an alarming rate across the state, and those in LAUSD are no exception. The crisis in housing senior high school students appears to be less critical than it is for those students in the lower grades because an alarming number of senior high school students are not graduating. LAUSD has experienced an average decrease of 6.6 percent in high school enrollment. Twelfth graders are the hardest hit, with a 12.8 percent drop in enrollment since 1981.

NEW SCHOOL CONSTRUCTION

LAUSD has undertaken a variety of construction projects. The following table represents new school construction projects undertaken since 1987.

NEW SCHOOLS COMPLETED OR UNDER CONSTRUCTION
SORTED BY LEVEL AND FISCAL YEAR COMPLETED

Fiscal Year	Project Name	Level	Classrooms	Net Seats	$ spent to date	Cost/Seat
NEW Schools						
1987-1988	Montara Avenue	K-6	28	898	$10,356,930.00	$11,533
1988-1989	Hughes	K-6	37	1142	$10,345,610.00	$9,059
1989-1990	San Miguel	K-6	37	1142	$14,151,843.00	$12,392
1990-1991	Nueva Vista	K-5	36	1113	$19,406,266.00	$17,436
1991-1992	Politi	K-5	25	700	$20,875,068.00	$29,822
1992-1993	Esperanza (Belmont #3)	K-5	27	775	$30,760,385.00	$39,691
1992-1993	Los Angeles #3	K-5	30	956	$17,007,809.00	$17,791
1992-1993	Walnut Park #1	K-5	32	1014	$21,491,580.00	$21,195
1994-1995	San Antonio #2	K-5	24	782	$15,659,973.00	$20,026
1995-1996	Gratts (Belmont #5)	K-5	27	822	$36,392,235.00	$44,273
1997-1998	*Jefferson #2	K-5	28	783	$9,740,132.00	$12,440
1997-1998	South Gate #4	K-5	32	997	$20,656,541.00	$20,719
1997-1998	Jefferson Middle School	Junior	77	2220	$56,385,079.00	$25,399
1987-1998	**All**		**440**	**13344**	**$283,229,451.00**	**$21,225**

- * indicates those schools still under construction
- As reflected in the above table, 12 new elementary schools were built since 1987, for a total of 363 new classrooms and 11,124 new seats in grades K-6. Only 1 new junior high school project was undertaken and it is still under construction. While there have been a number of additional applications filed by LAUSD for growth projects over the past fifteen years (approximately 50 for K-12 growth projects), only 12 elementary schools have been completed.

According to the district, expenditures for new school construction at the elementary level have totaled $226,844,372 since 1987. The cost factors taken into account for the total expenditure number include the following: site acquisition (purchase of property, relocation costs and appraisals); plans (architects' fees, preliminary testing); construction (building construction, demolition, general site work); tests (soil tests); inspection; furniture and equipment. According to these numbers, the range of new school construction costs for elementary schools over the past decade has ranged from $10,356,930 to $36, 392,235 per school. The average cost per elementary school is $18,903,697 in LAUSD. In an effort to gain a rough estimate of cost per pupil, including land acquisition costs, we divided the total cost of schools by the net seats.

Roughly then, the cost per pupil per seat in LAUSD for new school construction over the past ten years has been $21,225 dollars. There were not enough new junior high schools built over the past ten years in LAUSD to obtain even a reliable average, so the solitary figure for cost per pupil at the junior high level is $25,398 dollars. Cost per pupil estimates cannot be obtained for senior high students as there are no reported new senior high schools built since 1987. It should further be noted that the final costs will likely rise as schools are completed and contracts are closed out.

In addition to new construction projects, LAUSD has utilized district and state funds to build additions to existing schools. The following chart represents those additions since 1987, either completed or under construction.

ADDITIONS TO EXISTING SCHOOLS
SORTED BY LEVEL AND FISCAL YEAR COMPLETED

Fiscal Year	Project Name	Level	Classrooms	Net Seats	$ spent to date	Cost/Seat
Additions						
1983-1984	Miles Avenue	K-5	12	528	$1,375,237.00	$2,605
1983-1984	Plasencia	K-6	6	216	$2,081,233.00	$9,635
1984-1985	Hoover Street	K-5	35	1165	$6,101,951.00	$5,238
1984-1985	Middleton	K-5	24	696	$3,986,085.00	$5,727
1984-1985	Union Avenue	K-5	13	377	$1,861,860.00	$4,939
1985-1986	Magnolia	K-5	16	432	$2,696,239.00	$6,241
1987-1988	Fishburn Avenue	K-5	8	145	$2,967,024.00	$20,462
1987-1988	Liberty Blvd.	K-5	8	232	$2,088,226.00	$9,001
1987-1988	Loma Vista Avenue	K-5	15	29	$3,634,375.00	$125,323
1990-1991	Alexandria Avenue	K-5	9	111	$6,432,579.00	$57,951
1990-1991	Breed Street	K-5	4	116	$3,005,425.00	$25,909
1990-1991	Grant	K-5	14	462	$5,704,162.00	$12,347
1990-1991	Wilmington Park	K-5	6	58	$2,921,168.00	$50,365
1991-1992	Commonwealth	K-5	9	351	$6,065,433.00	$17,280
1991-1992	Ramona	K-5	9	261	$4,896,403.00	$18,760
1992-1993	Lillian Street	K-5	8	176	$6,515,274.00	$37,019
1992-1993	Logan Street	K-5	10	256	$5,326,090.00	$20,805
1992-1993	Santa Monica	K-5	12	275	$4,956,773.00	$18,025
1992-1993	Selma Avenue	K-5	24	401	$15,679,474.00	$39,101
1993-1994	Mayberry Street	K-5	11	29	$3,507,953.00	$120,964
1995-1996	Eagle Rock	K-5	7	203	$2,912,926.00	$14,349
1995-1996	Morningside	K-5	14	270	$6,874,697.00	$25,462
1996-1997	Buchanan	K-5	5	128	$3,913,311.00	$30,573
1996-1997	Twentieth Street	K-6	18	499	$11,000,349.00	$22,045

1996-1997	Vine Street	K-5	7	29	$3,507,953.00	$120,964
1996-1997	Wilton Place	K-5	11	175	$7,712,370.00	$44,071
1997-1998	Cahuenga	K-5	12	174	$7,262,538.00	$41,739
1997-1998	*Rockdale	K-6	4	0	$4,984,618.00	
1997-1998	San Pedro Street	K-5	9	177	$6,903,068.00	$39,000
1997-1998	*Queen Anne	K-5	24	234	$15,124,025.00	$64,633
1983-1998	**Elementary Totals**		**364**	**8205**	**$161,998,819.00**	**$19,744**
Multi-Level						
1988-1989	Pio Pico	K-8	32	954	$5,378,410.00	$5,638
1992-1993	S. East Area	K-12	26	561	$20,319,479.00	$36,220
1994-1995	LA MS #1	K-8	20	600	$8,483,719.00	$14,140
1988-1995	Multi-Level Totals		78	2115	$34,181,608.00	$16,162
Middle Schools						
1990-1991	Irving	MS 6-8	19	450	$8,140,626.00	$18,090
1991-1992	Berendo	MS 6-8	14	0	$7,820,616.00	
1992-1993	Gage	MS 6-8	30	660	$17,466,433.00	$26,464
1995-1996	LeConte	MS 6-8	12	300	$8,446,819.00	$28,156
1990-1996	**Middle School Totals**		**75**	**1410**	**$41,874,494.00**	**$29,698**
Senior Schools						
1988-1989	South Gate	HS 9-12	24	720	$8,321,066.00	$11,557
1990-1991	Bell	HS 9-12	11	330	$6,385,050.00	$19,349
1991-1992	Franklin	HS 9-12	31	636	$13,814,439.00	$21,721
1991-1992	Huntington Park	HS 9-12	21	630	$8,452,428.00	$13,417
1991-1992	Roosevelt	HS 9-12	11	330	$3,818,368.00	$11,571
1992-1993	Marshall	HS 9-12	16	480	$4,228,714.00	$8,810
1994-1995	Belmont	HS 9-12	19	516	$13,108,302.00	$25,404
1988-1995	**HS Totals**		**133**	**3642**	**$58,128,367.00**	**$15,961**

- **under construction*
- *--To date, there have been 30 addition projects undertaken at the elementary level in the past 15 years. These elementary additions to existing sites have resulted in an additional 346 classrooms and an increase of 7,461 seats.*
- *--Multi-level schools have added 78 additional classrooms and 2,115 more seats.*
- *--Middle schools (6-8) increased by 75 classrooms and 1,410 seats.*
- *--Senior high schools grew by 133 classrooms and 3,642 seats.*

Again, in an effort to gain a rough idea of cost per pupil for these additions to existing classrooms, we used the information provided by the district to obtain the following the results. As mentioned, there were 30 elementary schools with addition projects since 1982. By doing an analysis of the data provided, we calculated that the construction cost-per-seat for elementary additions was roughly $19,945. The average cost for additions per elementary school was $5,455,000. For multi-level schools (those with any configuration of grades K-12), there were

only 3 additions since 1988, and the cost-per-seat was $16,162 with a cost of approximately $11,000,000 per school. There were 4 middle school additions in the past 8 years and the cost-per-seat was $29,698 — the average cost for middle school additions was approximately $10 million. Since 1988, there were 10 additions projects initiated at the high school level. The range for the additions was $3,818,368 to $13,814,439. The average cost-per-seat was $15,961 and the average cost-per-school was $8,304,000.

Looking back at new school construction costs, one could draw the conclusion that costs vary significantly and building new schools may not be any more expensive than expanding old ones. Tracking for new school construction at the primary grade levels began later (1987) than did tracking for elementary school addition projects (1982). Also, there were only 12 new schools built, whereas there were 30 additions. These factors necessarily are reflected in the numeric outcome. Attention needs to be drawn to the fact that the district's tracking of these expenditures began in 1982 in some instances, such as for the elementary schools, while tracking did not begin until much later (1990) in other instances, such as for the middle schools. These inconsistencies in LAUSD reporting practices do not allow a truly comprehensive analysis of the data provided, but do allow us to gain insight into estimating the true cost of school construction in LAUSD.

LAUSD CONSTRUCTION EXPENDITURES FOR NEW PROJECTS

FY	Elementary	Seats	C/S	MS	Seats	C/S	HS	Seats	C/S	Total	Seats	C/S
82-83	$1,380,000	528	$2,614	$0	0		$0	0		$1,380,000	528	$2,614
83-84	$2,080,000	216	$9,630	$0	0		$0	0		$2,080,000	216	$9,630
84-85	$11,060,000	2238	$4,942	$0	0		$0	0		$11,060,000	2238	$4,942
85-86	$2,700,000	432	$6,250	$0	0		$0	0		$2,700,000	432	$6,250
86-87	$0	0		$0	0		$0	0		$0	0	
87-88	$14,370,000	1304	$11,020	$0	0		$0	0		$14,370,000	1304	$11,020
88-89	$12,020,000	2096	$5,735	$0	0		$4,870,000	720	$6,764	$16,890,000	2816	$5,998
89-90	$8,190,000	1142	$7,172	$0	0		$0	0		$8,190,000	1142	$7,172
90-91	$18,810,000	1860	$10,113	$4,180,000	450	$9,289	$40,320,000	2221	$18,154	$63,310,000	4531	$13,973
91-92	$17,210,000	1312	$13,117	$4,700,000	0		$23,200,000	1596	$14,536	$45,110,000	2908	$15,512
92-93	$37,620,000	3853	$9,764	$24,460,000	1221	$20,033	$4,230,000	480	$8,813	$66,310,000	5554	$11,939
93-94	$3,830,000	29	$132,069	$0	0		$0	0		$3,830,000	29	$132,060
94-95	$7,120,000	782	$9,105	$8,370,000	600	$13,950	$11,370,000	561	$20,267	$26,860,000	1943	$13,824
95-96	$23,500,000	1295	$18,147	$5,340,000	300	$17,800	$0	0		$28,840,000	1595	$18,082
96-97	$22,020,000	831	$26,498	$0	0		$0	0		$22,020,000	831	$26,498
97-98	$35,510,000	2131	$16,664	$35,060,000	2220	$15,793	$0	0		$70,570,000	4351	$16,219
98-99	$13,260,000	234	$56,667	$0	0		$57,100,000	1800	$31,722	$70,360,000	2034	$34,592
Totals	**$230,680,000**	**20283**	**$11,373**	**$82,110,000**	**4791**	**$17,138**	**$141,090,000**	**7378**	**$19,123**	**$453,880,000**	**32452**	**$13,986**

- *--Since 1982 LAUSD has spent $453.88 million on new construction.*
- *--According to LAUSD, the district has spent $454 million in new construction to create 32,452 seats, at a construction only cost of approximately $13,990 per seat.*
- *--Over the past fifteen years, there have been approximately 50 new construction projects.*

LEASE-PURCHASE NEW CONSTRUCTION AND MODERNIZATION PROJECTS COMPLETED OVER THE PAST DECADE RECEIVING STATE ALLOCATION BOARD APPORTIONMENTS

Lease Purchase - SAB Apportionment							
	New Construction			Modernization			
Fiscal Year	Projects	Net Seats	Cost	Projects	Cost	Total Projects	Total Costs
1987-1988	4	1304	$19,473,458	13	$16,335,259	17	$35,808,717
1988-1989	3	2816	$24,283,598	12	$11,628,148	15	$35,911,746
1989-1990	1	1142	$14,181,499	23	$23,188,465	24	$37,369,964
1990-1991	7	2640	$50,689,043	29	$30,357,009	36	$81,046,052
1991-1992	7	2908	$63,335,250	22	$25,711,792	29	$89,047,042
1992-1993	10	5716	$138,282,447	20	$30,367,226	30	$168,649,673
1993-1994	1	29	$5,009,973	13	$14,364,221	14	$19,374,194
1994-1995	4	1943	$39,488,003	14	$16,927,442	18	$56,415,445
1995-1996	4	1595	$43,982,657	9	$13,346,591	13	$57,329,248
1996-1997	4	831	$25,015,254	3	$9,845,358	7	$34,860,612
1997-1998	3	2571	$67,404,024	4	$4,665,437	7	$72,069,461
Totals	**48**	**23495**	**$491,145,206**	**162**	**$196,736,948**	**210**	**$687,882,154**

There have been over 162 modernization projects undertaken in the past fifteen years in LAUSD, the total cost for which is in excess of $196 million. But, according to one district document, total modernization projects have cost over $219 million since 1985 (for all schools, including but not limited to adult and special education schools). Of that, just over $200 million has been spent on modernization at the K-12 level:

- *--modernization projects at the elementary level have cost $133,583,802*
- *--junior high modernization projects have cost $36,072,468*
- *--senior high projects have cost $30,971,519*
- *--On average, modernization projects in LAUSD have cost approximately $1.3 million*

LAND ACQUISITION EXPENDITURES

The following table shows land acquisition expenditures beginning in the 1986-87 school year. For each school year, LAUSD acquired land for building new schools or expanding upon existing sites. This table represents two separate and distinct phases of the land acquisition process. The second column represents the number of acquisition projects the district committed to each year, along with the number of parcels required to realize the project. The final number represents the total costs for the projects. The district began tracking its relocation projects and ancillary costs in 1991, and these figures are represented in the last column. When LAUSD purchased a parcel of land which required the relocation of its prior owners, LAUSD paid to relocate those businesses or residents. The first number in this column, then, represents the total number of relocation projects in which the district engaged, followed by the total number of claims paid out by the district. The last number is the total dollar amount paid by the district to the claimants.

LAUSD Land Acquisition						
	Acquisition			Relocation		
Fiscal Year	Projects	Parcels Acquired	Cost	Projects	Claims	Cost
1986-1987	N/A	97	$26,287,000	N/A	N/A	N/A
1987-1988	N/A	123	$30,468,000	N/A	N/A	N/A
1988-1989	N/A	129	$32,663,000	N/A	N/A	N/A
1989-1990	N/A	124	$41,634,000	N/A	N/A	N/A
1990-1991	N/A	47	$22,359,000	N/A	N/A	N/A
1991-1992	12	36	$13,655,000	24	229	$2,700,000
1992-1993	11	17	$12,928,000	21	155	$2,600,000
1993-1994	10	32	$58,855,000	33	100	$1,124,000
1994-1995	5	8	$12,617,000	14	67	$331,000
1995-1996	1	1	$1,920,000	8	39	$197,000
1996-1997	1	5	$1,870,000	2	63	$445,000
Totals	**40**	**619**	**$255,256,000**	**102**	**653**	**$7,397,000**

- *--LAUSD completed 40 different land acquisition actions since 1991, the first year for which tracking data are available from the district.*
- *--619 parcels were acquired by the district for projects between 1986 and 1997.*
- *--The total costs associated for these project acquisitions was reportedly LAUSD $255,256,000.*

•--102 relocation projects, representing 653 claims, cost LAUSD $7,397,000 since 1991, the first year for which tracking data are available.

Legend:

* Includes condemnation costs
* Closed school leases, house rentals, filming licenses, regular licenses, oil royalties, processing fees and utility collections
* Represents dollar value of mitigation agreements, not actual income
* Includes hearing notices, environmental assessment forms, site plan reviews, Conditional Use Permit (CUP) applications, sale of alcoholic beverages applications

Belmont Learning Complex Update

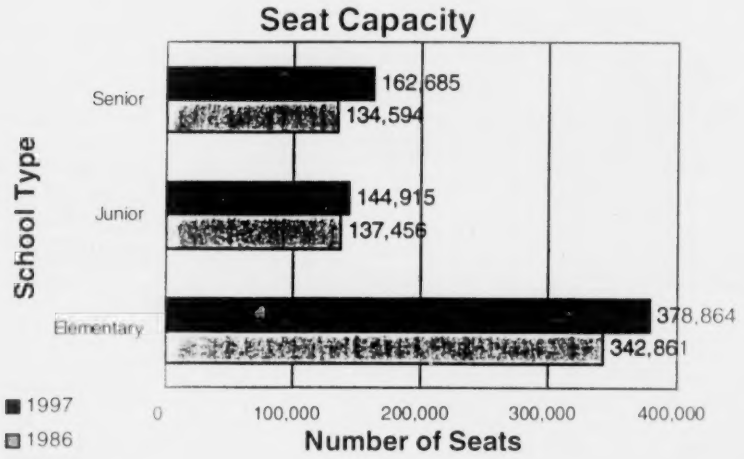
It should be noted that the costs associated with the Belmont Learning Complex are not reflected in the above charts.

- *As conceived in 1993, the BLC was to be a Middle School*
- *As conceived in 1995, the BLC was to provide approximately 3,600 HS seats at a per seat land acquisition cost of approximately $17,720 and a per seat construction cost of approximately $27,720 – for a total per seat cost of $45,500*
- *As conceived in 1997, the BLC was to provide approximately 4200 Year Round HS seats at a per seat land acquisition cost of about $14,761 and a per seat construction cost of $23,810 – for a total per seat cost of $38,271*

** Figures are based on a total cost of $100,000,000 for site preparation and construction, and a cost of $62,000,000 for land acquisition. It is likely that these are conservative estimates of the project's final price tag.*

SEAT CAPACITY

LAUSD has just over 900 schools, more than half of which are K-12 schools. The remaining schools range in the services they provide from infant centers to adult education. Having enough capacity to serve the growing student population has been an ongoing concern. According to numbers presented by the district, seat capacity has not kept up with student growth, and there is cause to question how the district can create capacity that is commensurate with growth. In an effort to gain some insight about how the district has responded to the increase in student population by increasing seat capacity, we include a district comparison between 1986 and 1997 for K-12 schools.



According to these numbers, capacity has increased the most at the senior high level (20.8 percent), but the senior high student population has decreased by 6.6 percent over the years. The second largest capacity increase has occurred at the elementary school level (10.5 percent), yet the largest enrollment increase (40 percent) occurred in the primary grades K-6. It is interesting to note that the enrollment increase of 40 percent in grades K-6 (since 1981) has not been met by any parallel capacity increase. Junior high schools have experienced the most modest capacity increase of all (5.4 percent), and enrollment has increased an average of 18 percent.

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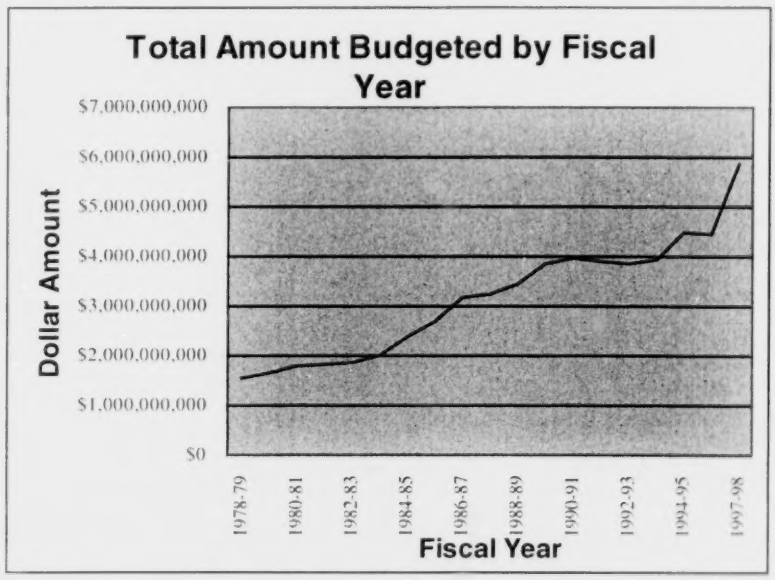
Although LAUSD was able to provide data on seating capacity for the years 1986 and 1997, the district was unable to supply the committee with seat capacity data for each individual year. It was the intention of the Joint Legislative Audit Committee to chart the comparison between LAUSD's total student enrollment and seat capacity from 1986-97. A year by year comparison could have provided a basis for understanding how class size reduction and the use of the multi-track year-round school scheduling have impacted seat capacity at LAUSD. Unfortunately, after discussions with the LAUSD, the district indicated that due to the size of LAUSD and the different methods used to calculate seat capacity, they were unable to provide us with total seat capacity figures for all years between 1986-97. Without knowing the comparison of the total seat capacity with that of enrollment, it is difficult to assess the actual construction needs of LAUSD. A side by side comparison of the number of students enrolled versus number of seats available is information that would be beneficial for all school districts to have when addressing school construction needs.

BUDGET HISTORY

The following graph represents the district's budget history since the 1978-79 school year. The entire amount budgeted over the past 18 years has exploded, with a 276 percent increase since 1978.

Fiscal Year	Amount
1978-79	$1,561,773,262
1979-80	$1,643,171,871
1980-81	$1,801,702,058
1981-82	$1,838,096,420
1982-83	$1,849,402,694
1983-84	$2,007,219,308
1984-85	$2,362,101,339
1985-86	$2,675,946,424
1986-87	$3,187,488,282
1987-88	$3,235,829,180
1988-89	$3,457,019,065
1989-90	$3,868,148,957
1990-91	$3,960,708,922
1991-92	$3,908,976,882
1992-93	$3,849,308,506
1993-94	$3,934,395,523
1994-95	$4,478,643,488
1995-96	$4,438,170,992
1997-98	$5,873,398,795



What emerges is a picture of a school district whose budget has increased dramatically —276 percent over the past 20 years—without a parallel growth in school construction. entire operating budget has increase from $1.5 billion in 1979 to over $5.8 billion in 1997. In addition to this funding explosion, there has been a similar explosion of students, a 26 percent increase in overall student enrollment, from 540,000 to more than 870,000 in 1997.

The school construction that has occurred has taken place at the elementary school level, yet not on par with the increase of elementary school students. According to the numbers provided to us by the district, only one new junior high school has been built, but the student population has increased by 18 percent. There have also not been any new senior high schools built, but this is the least troubling finding since our figures show an approximate decrease of senior high school

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students by 6.6 percent. What is troubling at the senior high level is more the decline in enrollment than the lack of new school construction.

Of the approximate $5.8 billion 1997-1998 budget, $454 million (approximately 7.8 percent) has been spent on new construction to create an additional 32,452 seats, costing on average $13,990 per seat. According to district representatives, projected expenditures on new permanent construction over the next ten years will be approximately $866.7 million to create 48,607 seats. This roughly translates into $17,831 per seat (Dollars per seat are not adjusted for inflation, do not include land acquisition costs, do not include cost for adding portables to sites to create seats, and assumes a State match for most of projects). For your convenience, we have provided an appendix at the end of this report representing how district money has been spent over the years.

Senate Education Chairman Senator Leroy Greene recently requested the Legislative Analyst's Office (LAO) to study statewide average per-pupil construction costs. Not surprisingly, there is some disparity in the statewide average per pupil cost and the LAUSD average. The LAO study looked at cost information from the Office of Public School Construction (OPSC) on 162 growth-related projects for which the State Allocation Board (SAB) has approved construction bids. According to the LAO's findings, the vast majority of the projects approved (154 of the 162) were approved after the voters approved the March 1996 school bond measure. The projects were located in 31 of California's 52 counties, though approximately 60 percent of the projects were in seven counties. In rank order, they are as follows: Riverside (26 projects), Los Angeles (15), Sacramento (14), San Bernardino (14), Orange (10), Fresno (9), and San Diego (9). While the overall estimates are important and of value for purposes of determining possible future action with respect to school construction costs, it is worth noting those projects specific to LAUSD.

The only growth projects that are germane to this report are those that occurred in K-12. Out of the 15 growth projects for LAUSD only 4 fell under the rubric of LAO reviewed projects, and all four were elementary growth projects. The LAO estimated that the average costs for 3 of the 4 LAUSD projects were $14,455. It is important to remember, however, that this average cost-per-pupil does not include land acquisition costs. Building costs for the three projects averaged at

$11,375 and site development averaged in at $3,080. The fourth project was substantially different from the other three in that its average cost-per-pupil was $35,524 (building costs were $28,454 and site development was $7,070).

NEW SCHOOL GROWTH PROJECTS-AVERAGE PER-PUPIL COSTS
STATEWIDE AVERAGES*

	Total	Building	Site Development
	Total	Building	Site Development
Elementary (79 projects)	$10,836	$8,697	$2,139
Middle (27 projects)	$13,720	$10,858	$2,862
High (45 projects)	$17,979	$14,518	$3,461
Special Education (11 projects)	$14,372	$11,540	$2,832

NEW LAUSD GROWTH PROJECTS-AVERAGE PER-PUPIL COSTS*

	Total	Building	Site Development
Elementary (3 projects)	$14,455	$11,375	$3,080
Middle School (1 project)	$35,524	$28,454	$7,070

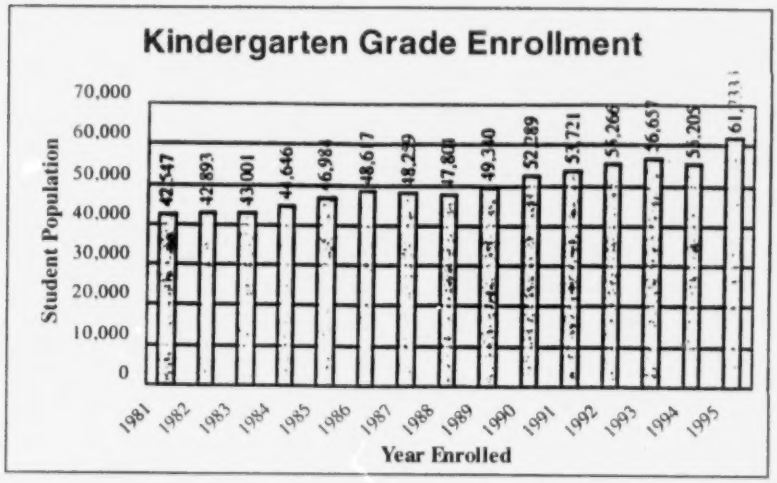
* *Land acquisition costs not included*

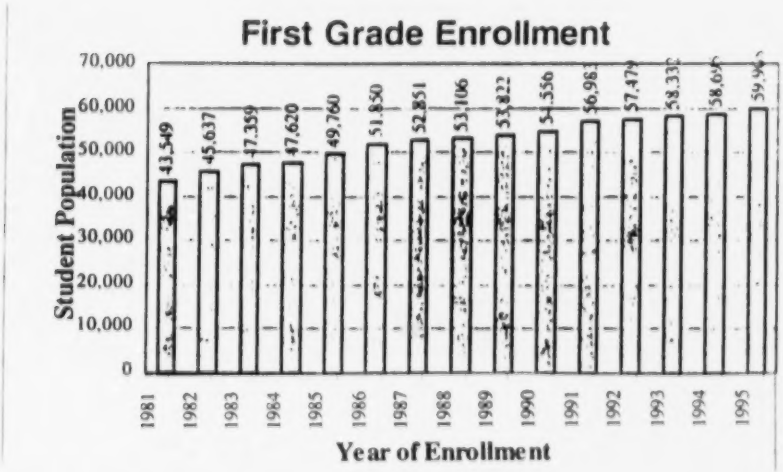
While these numbers at first glance may seem significantly different, one must take into consideration that LAUSD is a district encumbered by a host of unique challenges. LAUSD is the largest school district in the state and land acquisition alone is a daunting task. Due to its urban setting, land for school construction is both scarce and extremely expensive. As such, many schools are forced to build upwards, creating multi-story schools, the result of which brings a significantly higher price tag, though research indicates that the cost for multi-story schools only substantially increases when the school is over three stories. According to the LAO report, the average land cost per pupil was about $2,400 (the median cost was about $1,400 per pupil), but costs varied from $9 to over $18,000 per pupil. Land costs for LAUSD are significantly higher than other districts, and unfortunately the price of real estate is something over which the district has little control.

There are no easy answers. California is facing a dramatic increase in its K-12 student population by the end of the decade. Today's 5.1 million students enrolled are expected to grow in excess of 7 million by the year 2000. According to a 1992 report by the Little Hoover Commission, five counties, all in southern California (Los Angeles, Orange, Riverside, San Bernardino, and San Diego), are projected to account for nearly 56 percent of the state's student population. The cost

for school facilities to meet the increased needs of all these students will be approximately $45 billion. In many ways, LAUSD faces more than its fair share of this challenge. Many have argued that LAUSD is simply too large, that it needs to be reorganized to become more manageable and more accountable. In our experience, obtaining information that was either comprehensive or reliable was extremely difficult. The information we received has not been consistent between departments, and at the very least, it would benefit the citizens of California and the students of the LAUSD for the district to have a single unit dedicated to tracking and keeping basic data with respect to it operations.

Appendix A -- Enrollment Growth





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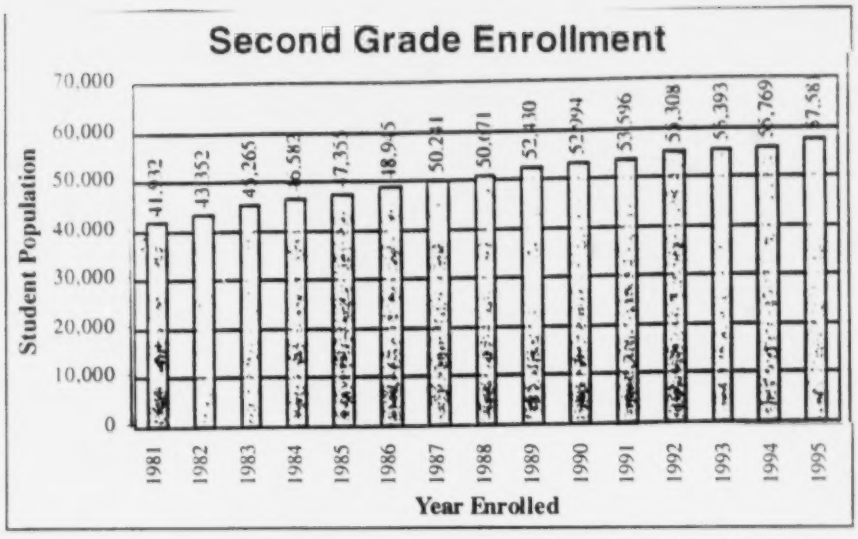

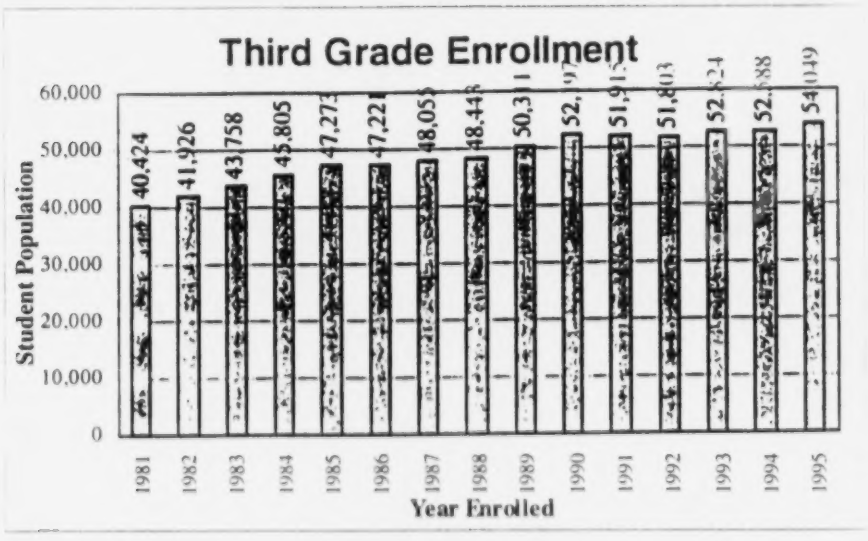

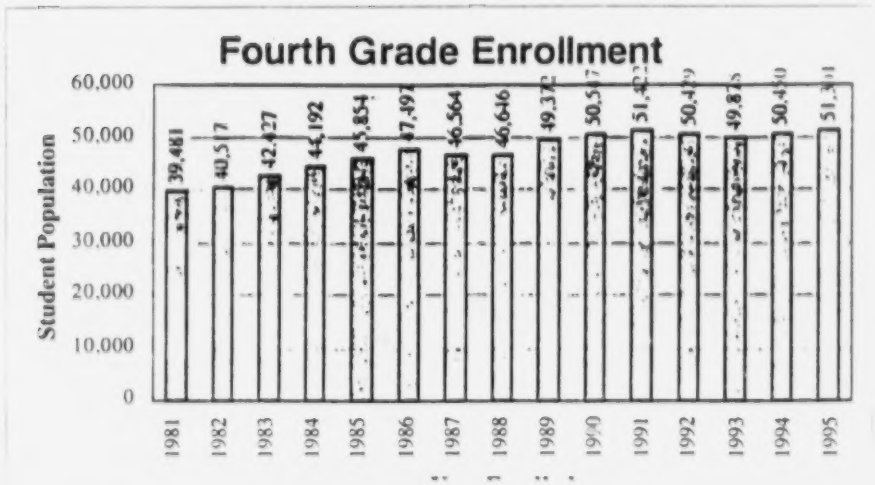

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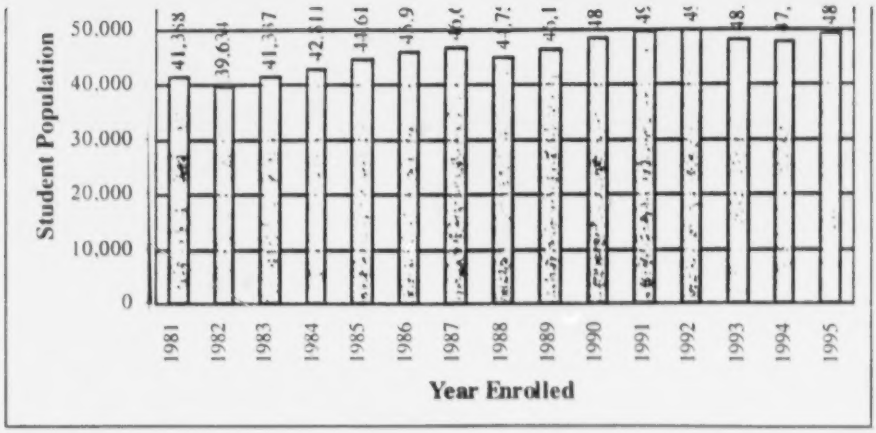

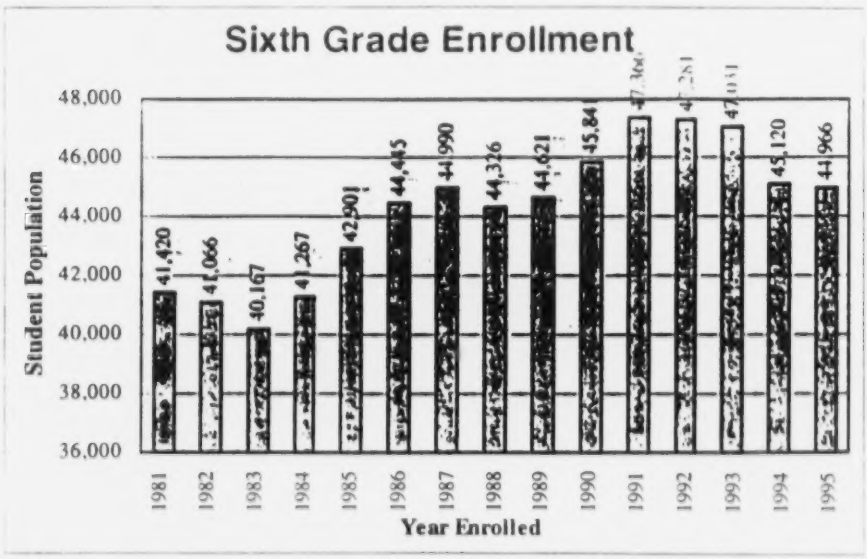

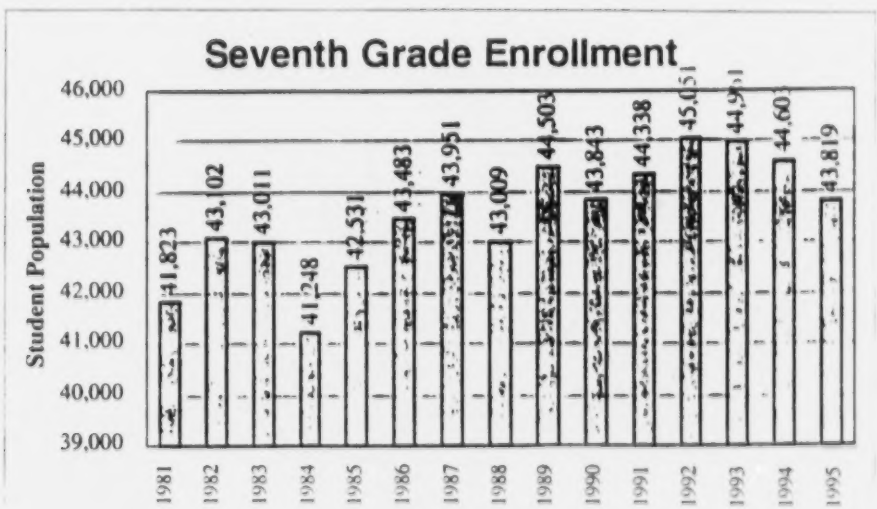

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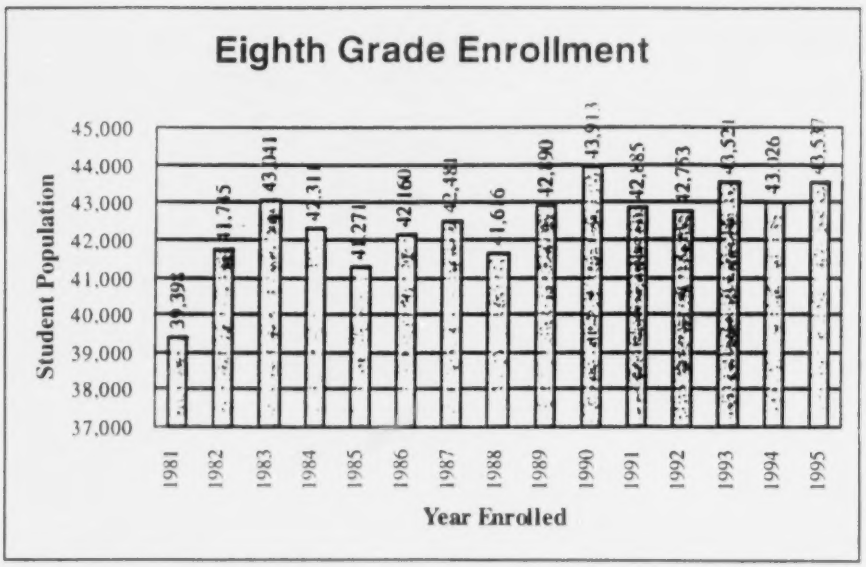

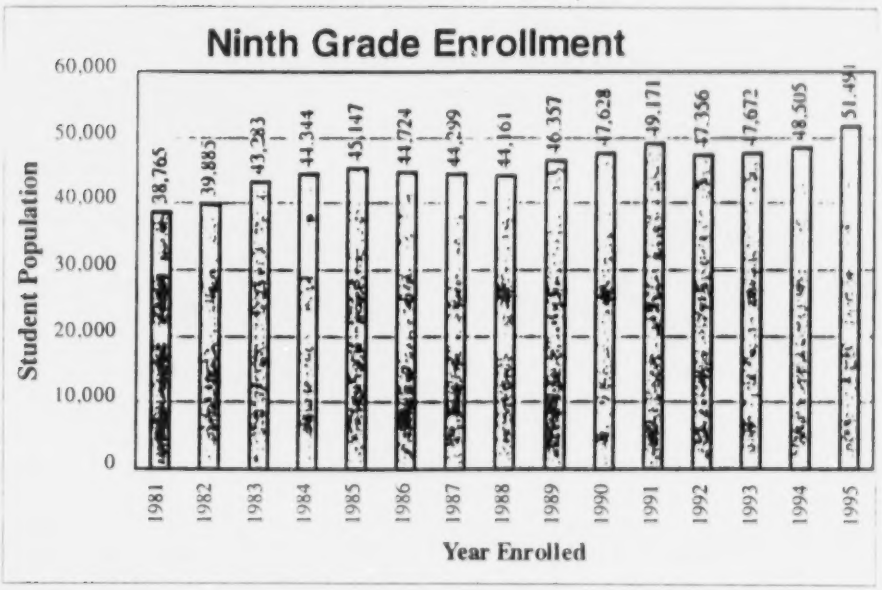

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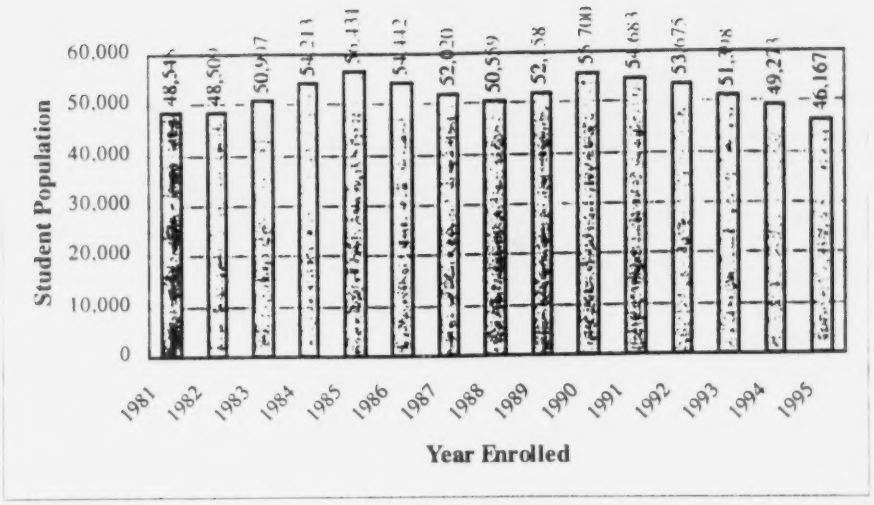

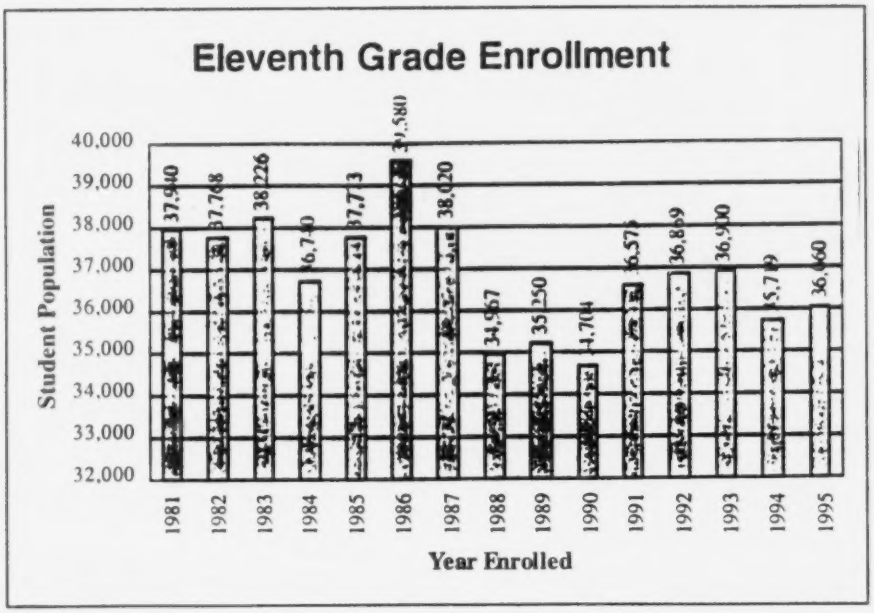

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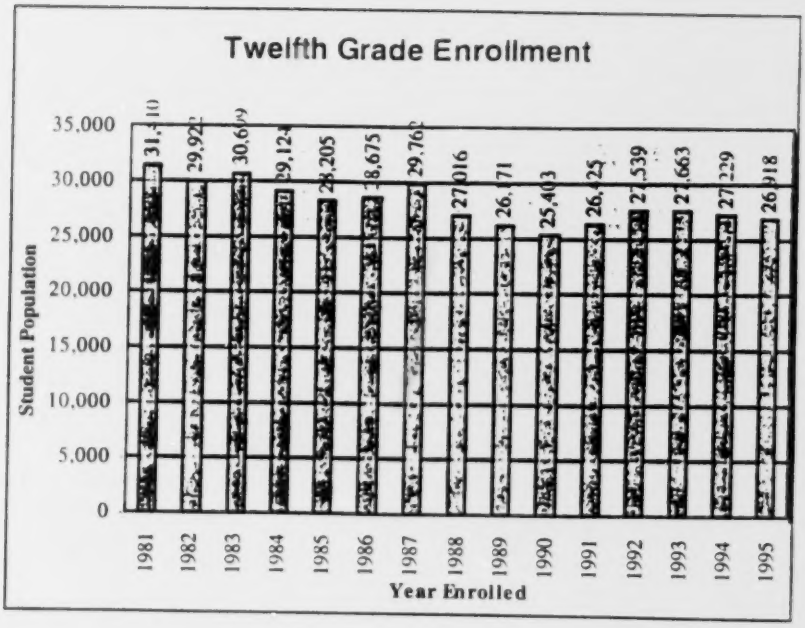

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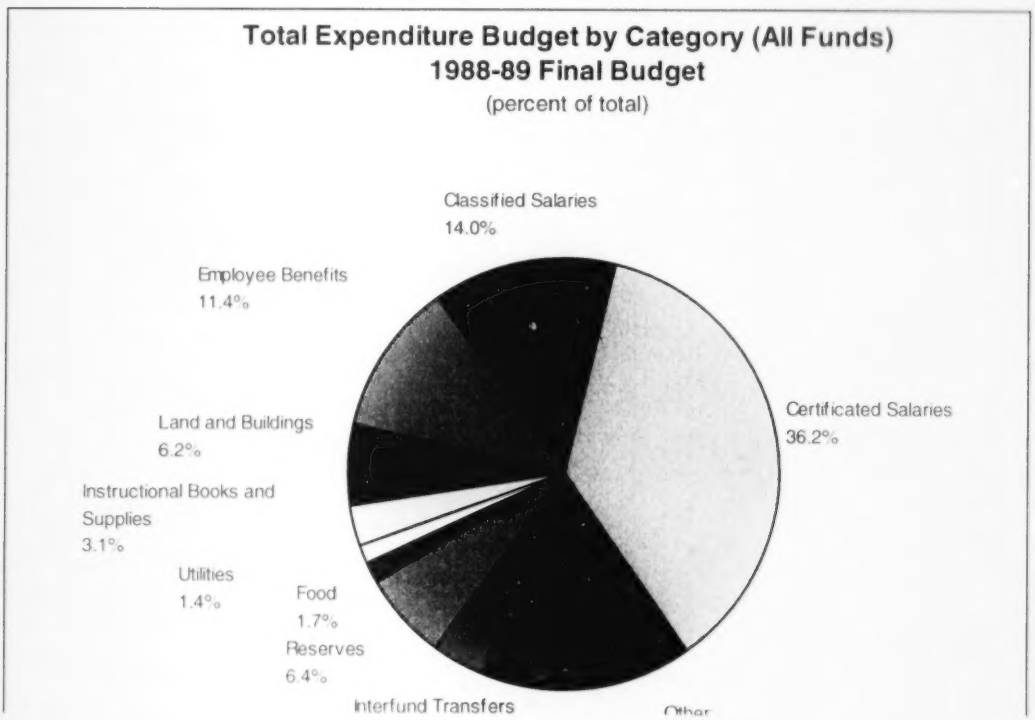
Appendix B – Total Expenditures

Total Expenditure Budget by Category (All Funds)
1988-1989 Final Budget

Budget Category	Amt in Millions
Reserves	$ 247.1
Food	$ 65.7
Utilities	$ 52.5
Instructional Books and Supplies	$ 118.7
Land and Buildings	$ 237.2
Employee Benefits	$ 438.2
Classified Salaries	$ 538.1
Certificated Salaries	$ 1,394.1
Other (Equipment, Debt Services)	$ 616.5
Interfund Transfers	$ 148.3
Less Interfund Adjustments	($ 399.3)
Total	**$ 4,478.8**



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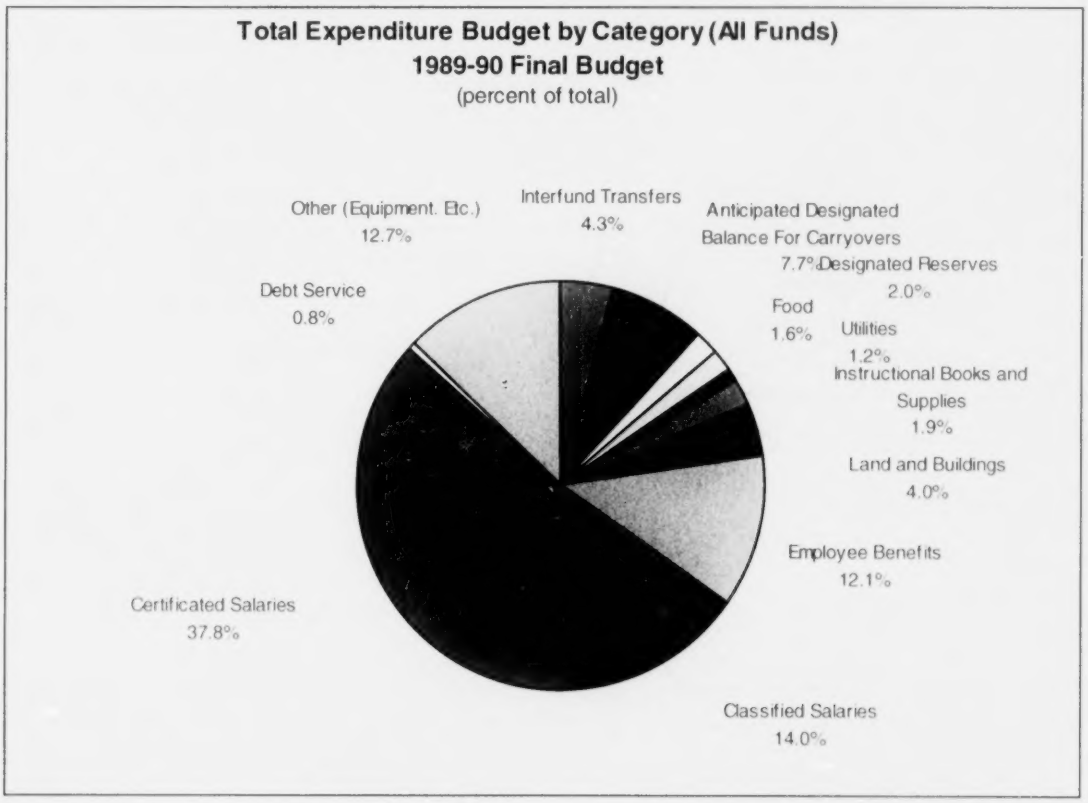
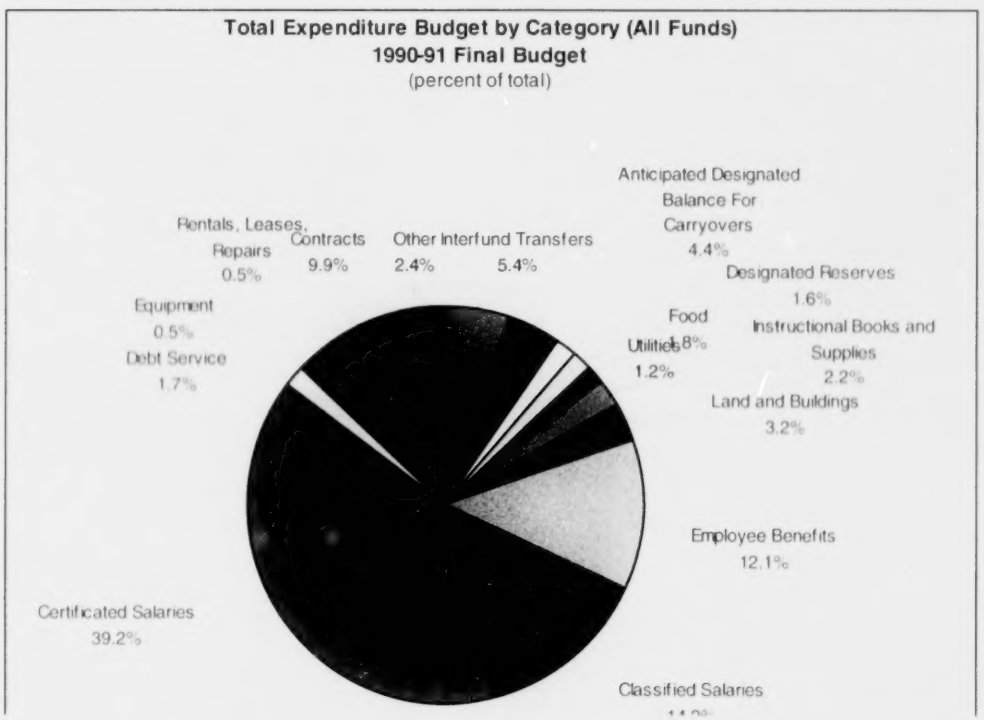
Total Expenditure Budget by Category (All Funds)
1989-1990 Final Budget

Budget Category	Amt in Millions
Interfund Transfers	$ 184.9
Anticipated Designated Balance For Carryovers	$ 336.3
Designated Reserves	$ 85.0
Food	$ 68.3
Utilities	$ 51.5
Instructional Books and Supplies	$ 84.5
Land and Buildings	$ 174.6
Employee Benefits	$ 524.4
Classified Salaries	$ 610.0
Certificated Salaries	$ 1,642.1
Debt Service	$ 33.1
Other (Equipment. Etc.)	$ 550.2
Less Interfund Adjustments	($ 476.8)
Total	**$ 3,868,1**



Total Expenditure Budget by Category (All Funds)
1990-1991 Final Budget

Budget Category	Amt in Millions
Interfund Transfers	$ 244.7
Anticipated Designated Balance For Carryovers	$ 197.6
Designated Reserves	$ 74.4
Food	$ 80.4
Utilities	$ 54.3
Instructional Books and Supplies	$ 100.5
Land and Buildings	$ 143.2
Employee Benefits	$ 547.7
Classified Salaries	$ 642.3
Certificated Salaries	$ 1,778.0
Debt Service	$ 75.7
Equipment	$ 20.8
Rentals, Leases, Repairs	$ 21.9
Contracts	$ 447.2
Other	$ 106.8
Less Interfund Adjustments	($ 577.5)
Total	**$ 3,960.7**



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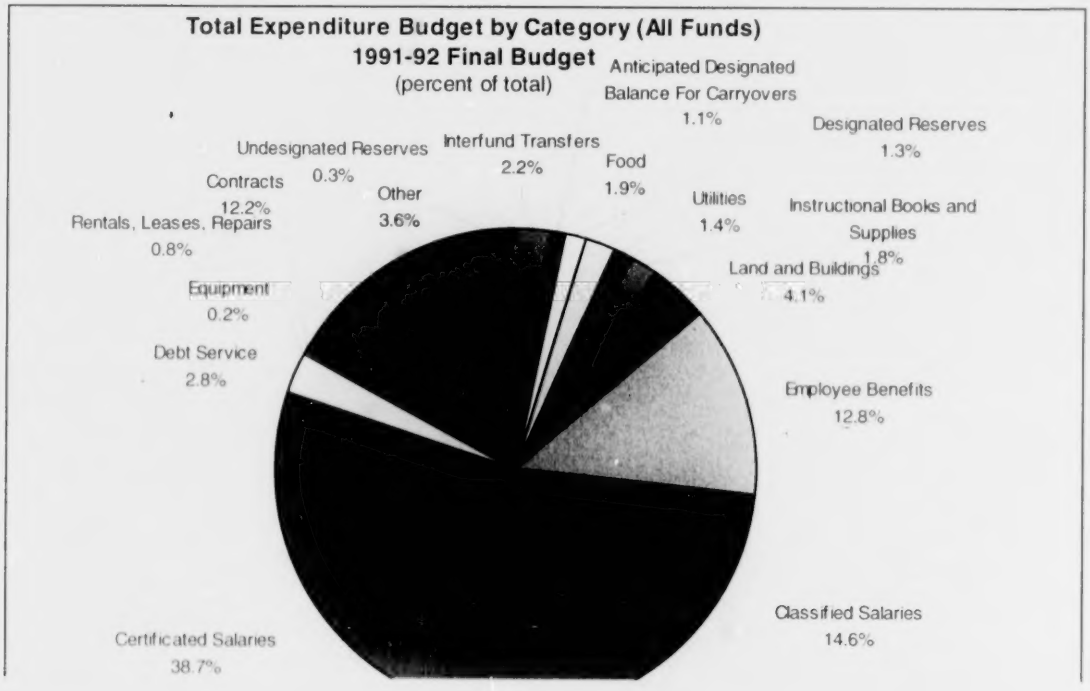
Total Expenditure Budget by Category (All Funds)
1991-1992 Final Budget

Budget Category	Amt in Millions
Interfund Transfers	$ 98.4
Anticipated Designated Balance For Carryovers	$ 50.6
Designated Reserves	$ 57.7
Food	$ 82.2
Utilities	$ 62.4
Instructional Books and Supplies	$ 79.6
Land and Buildings	$ 182.6
Employee Benefits	$ 566.5
Classified Salaries	$ 644.3
Certificated Salaries	$ 1,711.8
Debt Service	$ 123.5
Equipment	$ 10.7
Rentals, Leases, Repairs	$ 34.4
Contracts	$ 539.6
Other	$ 160.2
Undesignated Reserves	$ 14.6
Less Interfund Adjustments	($ 510.1)
Total	**$ 3,909**



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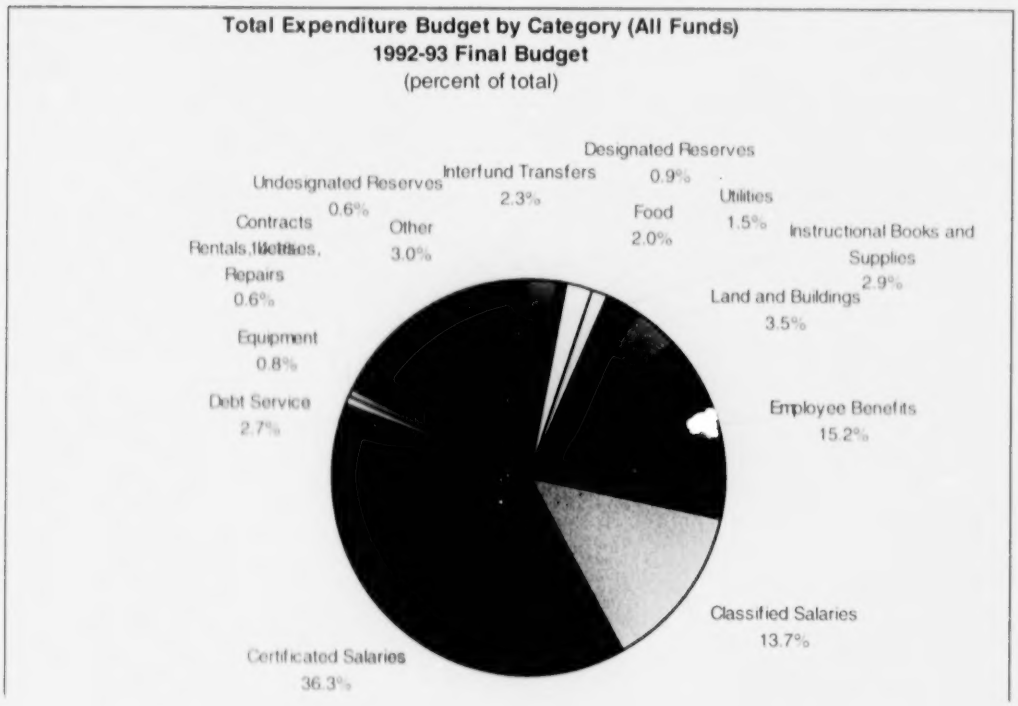
Total Expenditure Budget by Category (All Funds)
1992-1993 Final Budget

Budget Category	Amt in Millions
Interfund Transfers	$ 102.7
Designated Reserves	$ 38.2
Food	$ 88.1
Utilities	$ 66.1
Instructional Books and Supplies	$ 127.6
Land and Buildings	$ 152.6
Employee Benefits	$ 671.4
Classified Salaries	$ 606.2
Certificated Salaries	$ 1,603.9
Debt Service	$ 117.2
Equipment	$ 33.8
Rentals, Leases, Repairs	$ 27.1
Contracts	$ 622.2
Other	$ 134.6
Undesignated Reserves	$ 24.9
Less Interfund Adjustments	($ 567.3)
Total	**$ 3,849.3**



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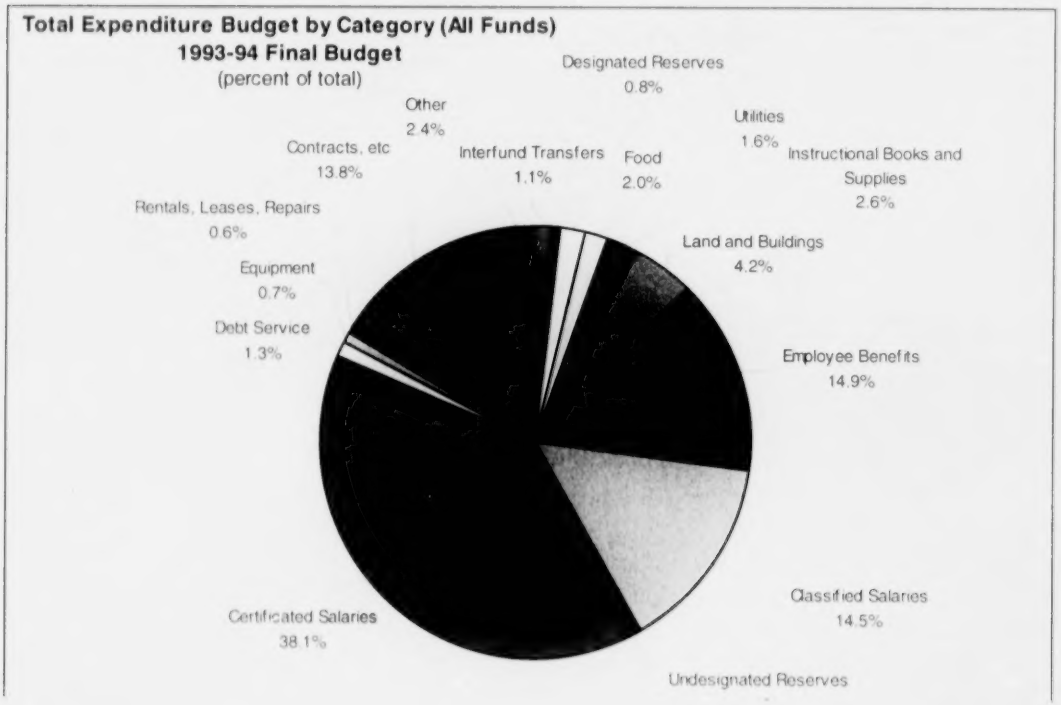
Total Expenditure Budget by Category (All Funds)
1993-94 Final Budget

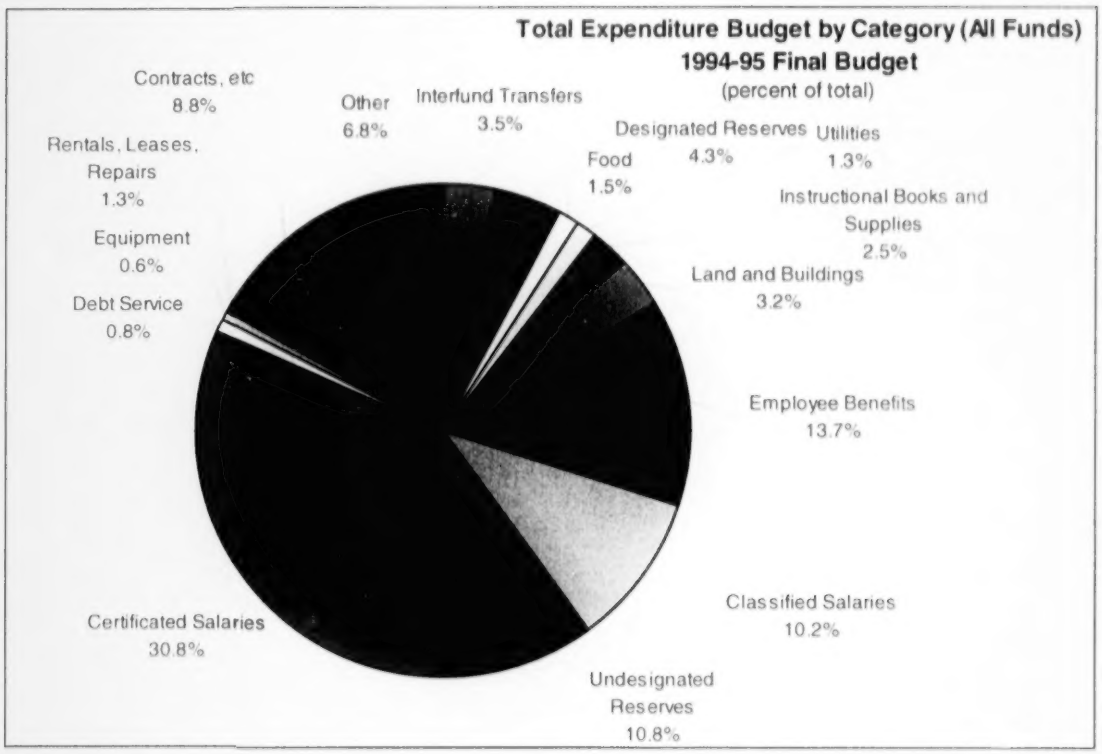
Budget Category	Amt in Millions
Interfund Transfers	$ 49.0
Designated Reserves	$ 36.4
Food	$ 90.0
Utilities	$ 72.8
Instructional Books and Supplies	$ 114.3
Land and Buildings	$ 186.5
Employee Benefits	$ 658.3
Classified Salaries	$ 642.8
Undesignated Reserves	$ 62.9
Certificated Salaries	$ 1,689.5
Debt Service	$ 55.6
Equipment	$ 29.7
Rentals, Leases, Repairs	$ 26.8
Contracts, etc	$ 610.3
Other	$ 106.4
Less Interfund Adjustments	($ 496.8)
Total	**$ 3,934.4**



Total Expenditure Budget by Category (All Funds)
1994-95 Final Budget

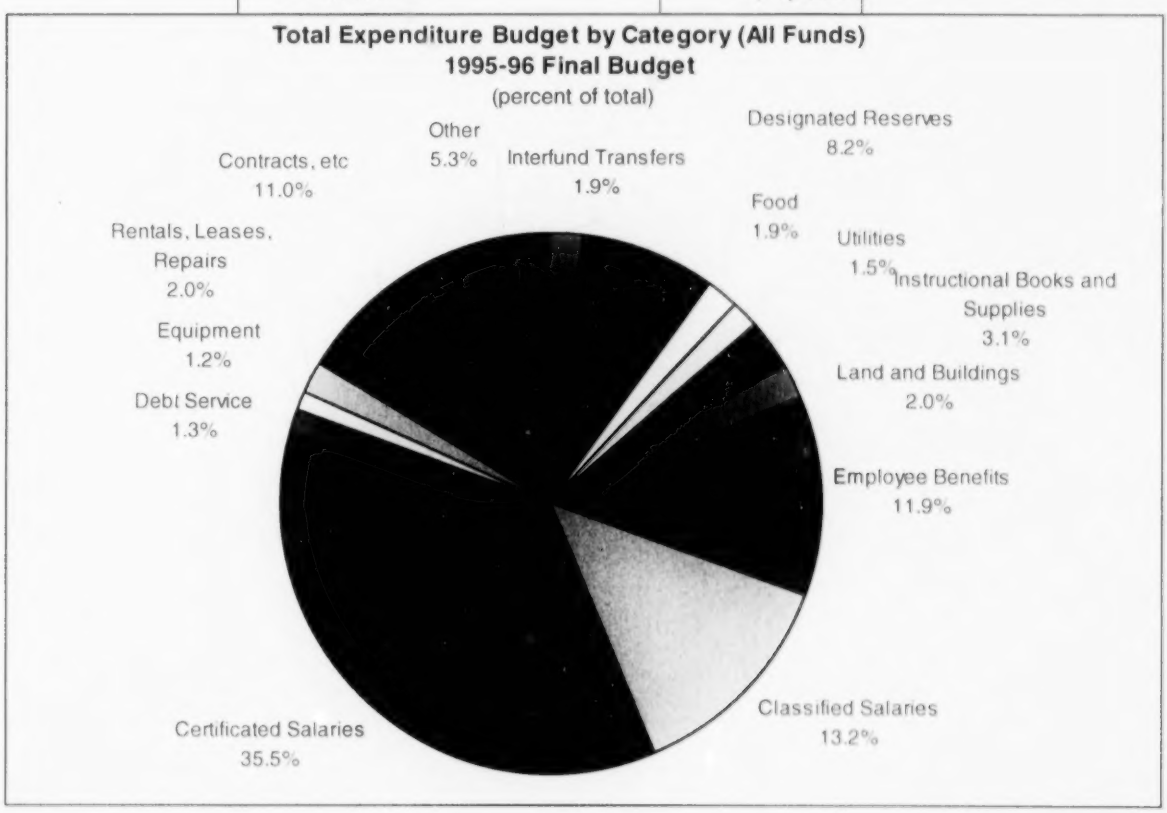
Budget Category	Amt in Millions
Interfund Transfers	$ 208.8
Designated Reserves	$ 258.3
Food	$ 87.7
Utilities	$ 78.8
Instructional Books and Supplies	$ 151.8
Land and Buildings	$ 193.8
Employee Benefits	$ 822.4
Classified Salaries	$ 612.6
Undesignated Reserves	$ 650.0
Certificated Salaries	$ 1,849.8
Debt Service	$ 50.2
Equipment	$ 37.0
Rentals, Leases, Repairs	$ 78.8
Contracts, etc	$ 527.0
Other	$ 408.2
Less Interfund Adjustments	($ 630.9)

Total	$ 4,478.8


Total Expenditure Budget by Category (All Funds)
1994-95 Final Budget
(percent of total)
Contracts, etc
8.8%
Other
6.8%
Interfund Transfers
3.5%
Designated Reserves
4.3%
Utilities
1.3%
Food
1.5%
Instructional Books and Supplies
2.5%
Rentals, Leases, Repairs
1.3%
Equipment
0.6%
Land and Buildings
3.2%
Debt Service
0.8%
Employee Benefits
13.7%
Classified Salaries
10.2%
Certificated Salaries
30.8%
Undesignated Reserves
10.8%

Total Expenditure Budget by Category (All Funds)
1995-96 Final Budget

Budget Category	Amt in Millions
Interfund Transfers	$ 93.2
Designated Reserves	$ 399.3
Food	$ 92.8
Utilities	$ 74.9
Instructional Books and Supplies	$ 152.5
Land and Buildings	$ 98.8
Employee Benefits	$ 583.4
Classified Salaries	$ 643.9
Certificated Salaries	$ 1,739.4
Debt Service	$ 62.9
Equipment	$ 58.6
Rentals, Leases, Repairs	$ 97.1
Contracts, etc	$ 538.7
Other	$ 258.2
Less Interfund Adjustments	($ 455.5)
Total	**$ 4,438.2**



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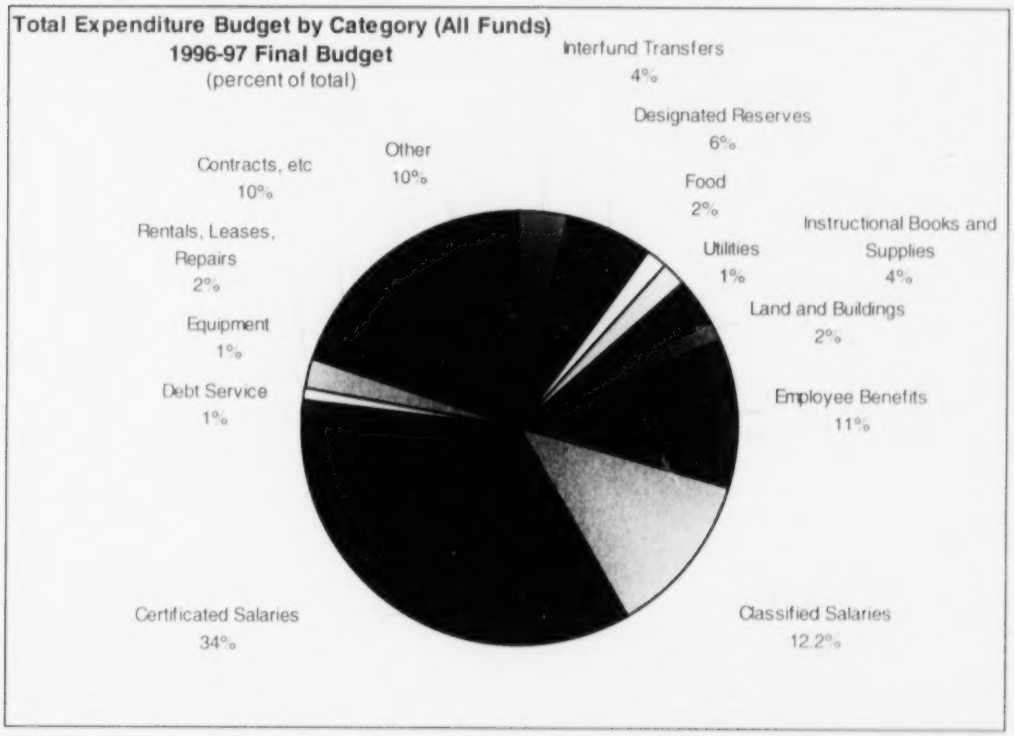
Total Expenditure Budget by Category (All Funds)
1996-1997 Final Budget

Budget Category	Amt in Millions
Interfund Transfers	$ 204.6
Designated Reserves	$ 343.6
Food	$ 95.0
Utilities	$ 79.2
Instructional Books and Supplies	$ 198.8
Land and Buildings	$ 87.7
Employee Benefits	$ 606.8
Classified Salaries	$ 665.2
Certificated Salaries	$ 1,865.3
Debt Service	$ 61.7
Equipment	$ 47.9
Rentals, Leases, Repairs	$ 118.9
Contracts, etc	$ 558.4
Other	$ 529.8
Less Interfund Adjustments	($ 569.7)
Total	**$ 4,893.2**



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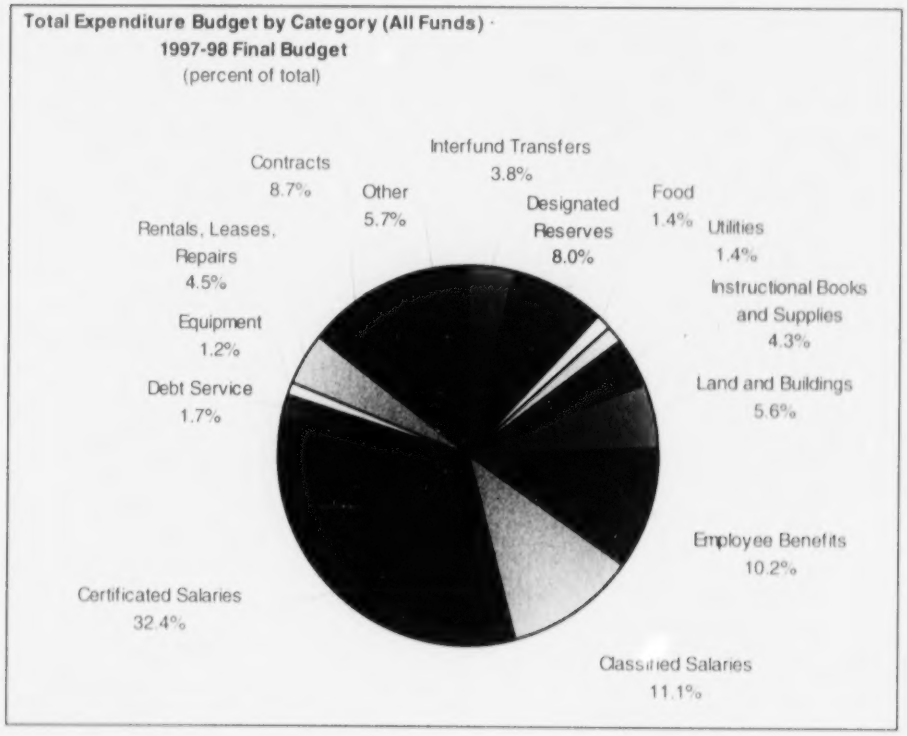
Total Expenditure Budget by Category (All Funds)
1997-1998 Final Budget

Budget Category	Amt in Millions
Interfund Transfers	$ 249.4
Designated Reserves	$ 521.1
Food	$ 93.3
Utilities	$ 87.8
Instructional Books and Supplies	$ 280.3
Land and Buildings	$ 361.0
Employee Benefits	$ 662.9
Classified Salaries	$ 720.4
Certificated Salaries	$ 2,102.8
Debt Service	$ 111.1
Equipment	$ 75.3
Rentals, Leases, Repairs	$ 290.5
Contracts	$ 567.4
Other	$ 373.2
Less Interfund Adjustments	($ 623.3)
Total	**$ 5,873.4**



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